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RUEHBR/AMEMBASSY BRASILIA 8303  
RUEHBU/AMEMBASSY BUENOS AIRES 5534  
RUEHCV/AMEMBASSY CARACAS 2761  
RUEHGE/AMEMBASSY GEORGETOWN 0399  
RUEHPE/AMEMBASSY LIMA 2942  
RUEHMN/AMEMBASSY MONTEVIDEO 4823  
RUEHPO/AMEMBASSY PARAMARIBO 0097  
RUEHQT/AMEMBASSY QUITO 5395  
RUEHSG/AMEMBASSY SANTIAGO 0003  
RUEHKO/AMEMBASSY TOKYO 0326  
RUEHLMC/MILLENNIUM CHALLENGE CORP  
RUEHC/DEPT OF LABOR WASHINGTON DC  
RUEHUB/USINT HAVANA 0509  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
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RUEHBS/USEU BRUSSELS  
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C O N F I D E N T I A L SECTION 01 OF 03 LA PAZ 002400

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E.O. 12958: DECL: 08/30/2017  
TAGS: [ECON](#) [PGOV](#) [PREL](#) [PHUM](#) [EAID](#) [BL](#)  
SUBJECT: OPPOSITION, OTHERS DEFEND US AID

REF: A. LA PAZ 2387  
[1](#)B. LA PAZ 2386

Classified By: A/DCM Mike Hammer for reasons 1.4 (b) and (d).

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Summary  
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[1](#)1. (U) Following Minister of the Presidency Quintana's August 29 attacks on USAID in which he accused the USG of supporting the opposition and told USAID to get in line with government policies or leave the country, the opposition, NGOs and pundits are defending USAID and criticizing the government for the unwarranted attack. The official State Department response to the Bolivian government's accusations has received wide coverage, and many editorials are suggesting that the MAS attack on USAID is a smokescreen to cover recent domestic problems including civic strikes, rising inflation and Venezuelan cash assistance.

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Blowing Smoke  
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[1](#)2. (U) Many political commentators and opposition politicians have drawn attention to the timing of Minister Quintana's diatribe, coming as it did only a day after six of Bolivia's nine departments shut down in strikes against the ruling MAS government. The head of the opposition party National Unity (UN) Samuel Doria Medina said, "It's an old method of (Hugo) Chavez. Every time he has a domestic problem, he insults the U.S. government and fights with them. It's no coincidence that on Tuesday there was a massive strike against the government of Evo Morales, and that now Quintana comes out to tell lies and hoaxes." In the words of Carlos Hugo Molina, one of the former government officials (under Goni Sanchez de Lozada) listed by Quintana as evidence that USAID is financing the "old way" and the opposition: "They are trying to scare us...this should be denounced at

international levels." Another USAID contractor, Juan Carlos Urenda (a Santa Cruz civic leader) described the MAS accusations as an attempt to cast a smokescreen over the "serious problems in this country," and opined that this was "another mistake of the government that will do no less than deepen the differences and confrontations in the country."

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Pay No Attention to the Venezuelan Behind the Curtain  
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13. (C) On August 29, as Minister Quintana criticized USAID's "flagrant interference in Bolivian politics", President Morales was handing out Venezuelan checks to mayors in the department of La Paz. In the past, President Morales has publicly called for European, Japanese and U.S. aid to be more like Venezuelan aid, which in practice would mean almost no accountability or transparency. In his attack on USAID, Minister Quintana praised European aid for being transparent and for following Bolivian laws. Although Quintana did not directly mention Venezuelan aid, the MAS is clearly responding to criticism of the increasing Venezuelan influence in the country. The official government news source ABI on August 30 ran an article describing how President Morales has been handing out "cooperation checks" from Venezuela and Europe. This attempted conflation of Venezuelan and European aid seems to be a MAS attempt to both isolate the United States and justify its acceptance of increasing Venezuelan involvement in the country. Following Quintana's presentation, Vice President Garcia Linera announced that the Bolivian government will push for a new law to control the destination of international aid and will

LA PAZ 00002400 002 OF 003

investigate the programs of all international aid in Bolivia.

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Biting the Hand that Continues to Feed You  
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14. (U) Many Bolivians are concerned about the more immediate and concrete impact that could result from poking a stick at the United States. The Bolivian External Trade Institute (IBCE) is concerned for the future of ATPDEA, pointing out that Bolivia is even now preparing a proposal for the extension of ATPDEA trade preferences. IBCE head Gary Rodriguez stated, "We understand that the (Bolivian) Government doesn't need trade preferences, but the workers do need them, as do entrepreneurs who seek to consolidate and not lose free access for their exports."

15. (C) More directly, many observers are pointing out that Bolivia cannot afford to risk USD120 million in assistance from USAID. Few are suggesting that all USAID assistance could be lost, but concerns are rife that funding could be reduced in the future. While Morales and the MAS may be willing to wave goodbye to our assistance, other officials either doubt that Venezuela will step up to completely fill the gap or, pragmatically, see a benefit in receiving as much aid as possible from various sources. (Comment: At a time when Vice President Linera is heading to Washington to, among other issues, push for Millennium Challenge aid to Bolivia and a continuation of ATPDEA trade benefits, the timing of the attacks against the USG seems self-defeating. End comment.)

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Next Target: NAS Assistance  
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16. (C) Minister Quintana also announced his "suspicions of U.S. double morality" in the fight against drugs, questioning the U.S. focus on cocaine in Bolivia while claiming that marijuana is not part of counternarcotics programs here. Quintana said that the Bolivian government is investigating

NAS assistance and will publish their findings in the following weeks. (Comment: It is understandable that a government whose president is also the head of the coca-growers union would turn its sights on NAS's programs. Considering the egregious accusations that the Bolivian government has just leveled at USAID, we expect that their 'investigation' of NAS will be equally rigorous. End comment.)

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Comment  
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17. (C) In the wake of Quintana's press conference, USAID has received an outpouring of support. Many partner NGOs are publicly challenging the government's accusations, and some have requested more information from USAID in order to repudiate the MAS stance. Morale in USAID could take a hit, particularly among the Bolivian locally-engaged staff, some of whom fear that after Quintana's threats and insinuations about 'traitors' who 'sell out their country', they may be targeted by the MAS in the future. Their fears are not unfounded, considering that Quintana named USAID contractors, listed their posts in previous governments, and accused them of working against the MAS program of change. To address initial concerns and assure employees of USG support, USAID held an all-hands staff meeting right after Quintana's press briefing. The Ambassador will hold a mission wide townhall meeting immediately upon his return to La Paz.

LA PAZ 00002400 003 OF 003

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